

**Tarrant
County
College
District**



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February 13, 2004

Dr. Don Brown
Commissioner
Texas Higher Education Coordinating Board
P.O. Box 12788
Austin, Texas 78711

Dear Commissioner Brown:

The Community and Technical Colleges Formula Advisory Committee (CTCFAC) has completed its work and on its behalf, I am pleased to present to you our recommendations. Thank you for the privilege of serving as committee chair, and I know each committee member would want me to express to you their appreciation for the opportunity to serve, as well.

In response to your charge to the committee, the committee meetings were conducted as an open, public process and information was shared with those institutions who were not represented on the committee. Representatives of both the Texas Association of Community Colleges (TACC) and the Texas Community College Teachers Association (TCCTA) were invited and did attend. Minutes of the committee's meetings held on October 8, 2003; November 5, 2003 and December 12, 2003 are attached.

The Committee recommends that the state first use all available funds to fully fund the formula, thus paying for the total costs of instruction in the community and technical colleges as reflected in the FY 2003 All Funds Expenditure Report results. The total biennial cost will be determined sometime in February 2004.

The committee appreciates and wishes to reward the Closing the Gaps accomplishments of community and technical colleges in Texas. The committee suggests that a "reward system" be put in place to assist those schools who have experienced dramatic growth in student participation (enrollments). Additionally, the Formula Advisory Committee requests the state fund a stair-step system of bonuses for work toward achieving the success goal of Closing the Gaps. Success would be measured by increases over the base year in the number of degrees awarded and the number of field of study completers.

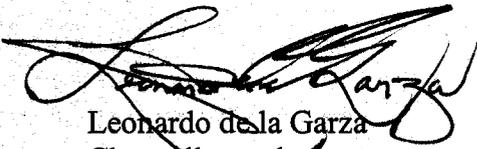
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The CTCFAC acknowledges that a reward system for "improved performance" is a departure from tradition and may give some cause for concern. Still we urge the Coordinating Board staff to maintain a willingness to "monitor and adjust" as we develop a system that encourages all community and technical colleges to aim higher in their service to students.

Further, the committee holds that the state should provide additional funds for LVN and RN nursing programs at two-year institutions. And finally, the committee recommends that the State fund alternative teacher certification programs at two-year institutions, in order to better respond to the changing educational needs of our state.

Again, thank you for allowing me and my colleagues to serve on the committee and to have beneficial exchanges with Coordinating Board staff members. During these difficult times of decreasing support, we must continue to work together in order to provide the best education possible for Texas students, who continue to enroll in record numbers in our Texas community colleges. ¡Gracias!

Very cordially,



Leonardo de la Garza
Chancellor and
Chair, CTCFAC Committee

cc: Electronic Copy to Committee Members
Dr. Rey Garcia, Executive Director
Texas Association of Community Colleges

Enclosures

**Community and Technical College
Formula Advisory Committee Report**

Recommendations for FY2006-FY2007 State Appropriations

1. The state should provide full funding of the formula. The state should fund the total costs of instruction in the community and technical colleges as indicated in the FY 2003 All Funds Expenditure Report results. The total biennial cost will be determined sometime in February 2004. The committee recommended that the Coordinating Board apply 100% of the results of the All Funds Expenditure Report to the formula recommendations in determining the median rates for the appropriation request.
2. The state should fund the dramatic growth supplement as a reward for work toward achieving the participation goal of *Closing the Gaps* for colleges that exceed the threshold of 10 percent growth for the first year of the biennium when compared to the base year, and 20 percent for the second year of the biennium when compared to the base year. The dramatic growth supplement should be approximately \$10 million per year. These funds would cover additional costs to: 1) recruit and retain students, including those historically underserved, 2) establish and upgrade high priority programs for the state, and 3) provide quality education.
3. The state should fund a tiered system of bonuses for work toward achieving the success goal of *Closing the Gaps* with a recommended funding level of approximately \$10 million per year. Success would be measured by increases over the base year in the number of degrees awarded, the number of core curriculum completers, and the number of field of study completers. The funds should be allocated by district, but the Coordinating Board should provide information by campus where available. The Lamar State Colleges and Texas State Technical Colleges would be exempted from the combining of allocations by college and would be reported and allocated individually.
4. The state should fund approximately \$5 million/year for nursing growth at the two-year institutions. The nursing growth funds would be divided into an RN allocation and an LVN allocation by calculating a weighted average for each program type. This weighted average is calculated by multiplying the contact hours by the funding rate for each of the programs, and then allocating the \$5 million/year between the RN and LVN programs accordingly. The state should use the threshold of 3 percent growth for the first year of the biennium and 6 percent growth for the second year of the biennium as the threshold for dramatic nursing growth. The state should provide Unexpended Balance authority for these funds within biennia for this request at a total of \$5 million per year.
5. The state should provide funding for alternative teacher certification programs at community colleges and request the Coordinating Board to develop a funding and reporting mechanism for two-year institutions and other appropriate delivery agents.
6. Overall, the current structure of distance education is adequate and serves the purpose for which it is intended. However, because it is still an emerging instructional delivery mode in two-year institutions, it is important for the state to monitor its growth and development. Incentives may be appropriate in the future.